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The Director of Central Intelligence

Washington, D.C. 20505

Resource Management Staff

DCI/ICS 78-1190

11 October 1978

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Contacts -  *Ed Bowie*

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MEMORANDUM FOR: Mr. Robert R. Bowie  
Deputy to the DCI for National Intelligence  
Director, National Foreign Assessment Center

FROM:  USN  
Acting Director, Policy Guidance Office

SUBJECT: NFAC Inputs to the DCI's Annual Report

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1. ☐ Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users and bosses, and the Congress.

2. ☐ Portions involving particular NFAC interest/competence are the section on selected substantive issues in Part I, and the issue of the quality of analysis and policy support in Part II. We request NFAC input on both. The following questions/topics we offer to help structure these subjects and your input, but specifics can certainly be refined or altered if you can improve them.

3. ☐ Selected substantive issues: Here the key criteria involve what has required greatly increased analytical attention or altered emphasis in 1978 (and even at that, we will be able to discuss only a few especially important issues meeting the criteria). Our nominees are these:

a. Significant Soviet trends affecting the strategic balance, and experience in communicating these effectively to national security planners; e.g.:

-- pace of accuracy improvements in Soviet ICBMs; other?

-- experience in communicating implications for the US of alternative Soviet force projections in ways more realistic

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and helpful than static measures alone, without preempting the policy prerogative of full force interaction analysis.

b. Growth in requirements for intelligence support to arms limitation talks; e.g.:

-- beyond SALT and MBFR to CTB, ASAT, CAT, Indian Ocean; examples of new substantive issues requiring analysis; ramifications of close and "personalized" policy support via presence of an intelligence advisor with each delegation;

-- harder SALT verification challenges (cruise missiles, planning for verification analysis in the MAP era, etc.);

-- need for integrated analysis for the whole, broadening arms limitation field, for coordinated production management, consistent standards for delegation support, etc.

c. How has intelligence charted the much more activist role of China in the outside world in 1978 and analyzed its implications?

d. Intelligence analysis/projections of world energy supply; e.g.:

-- the substance of the messages;

-- experience in communicating levels of certainty/uncertainty and reasons for them (including phenomena of long-range predictions altering themselves via altering interim perceptions and actions).

e. Substantive support to African crises (Horn, Shaba II), e.g.:

-- the 1978 intelligence challenge of analyzing the several African hot spots themselves, whether together they would intensify/proliferate/coalesce, or whether separately they would plateau under specific combinations of local and external factors;

-- analytical support to diplomatic negotiations (Rhodesia).

4. ☐ Is the foregoing the best short list of issues? Specifically:

-- Did intelligence make a significant enough (or sufficiently integrated) contribution to the US dollar policy problem to treat in the Annual Report? *management of the world economy generally;* ☐

-- Our impression is that 1977, not 1978, marked the quantum increase in intelligence analysis of global issues but perhaps not; e.g., is there something significant new to say about analysis/production on nuclear proliferation? *yes*

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-- Has/will the greatly increased direct US role in Middle East Arab-Israeli peace negotiations identified new requirements on substantive intelligence?

-- Would a word on substantive support on Afghanistan and/or Iran "crises" be worthwhile? *NEA generally* *shifting emphasis* *(Indo-Chin)*

-- Do you care to nominate one or more significant new or expanding issues that will require major analytical attention/new directions in 1979? Or significant present areas in which you feel skimpily equipped analytically?

25X1 5. ☐ Please also provide a brief statement of management highlights of NFAC's first full year in being (Outline topic I.A.3.a.); e.g., experience in NFAC dual role as both CIA and community production component, in transfer of responsibility for substantive NFIB committees (EIC, JAEIC, STIC, WSSIC) to D/DCI/NI, in blending discipline/functional NFAC production offices' focus and regional-topic/functional NIO focus, in use of the NFAC production board, in development of NIT strategies (NFAC internal and community), etc.

25X1 6. ☐ The key issue in Part II on which we particularly want NFAC input is quality of analysis and policy support. Input should address the following (and any other aspects you may identify as relevant):

-- NFAC response to the analytical portions of the 14 January 1978 Brzezinski letter to the DCI on political intelligence and analysis;

-- work program (accomplished and projected) of NFAC internal team studying quality of analysis; any tentative conclusions/recommendations to date;

-- other NFAC efforts to improve the incentives/productivity/responsiveness to policy users' needs/general quality of analysts;

-- specific NFAC steps in 1978 to increase the incidence of interdisciplinary analysis; examples of interdisciplinary production;

-- any comments you may wish to offer on the appropriateness of the current collection/production budget balance, an issue chosen for discussion in the 1978 Annual Report because the current balance troubled the President during the course of his late 1977 consideration of the proposed FY 1979 NFIP budget. (We are also asking the CIA Comptroller, INR and DIA for comment on this topic.)

25X1 7. ☐ The issue of community ADP will be tasked primarily to Resource Management Staff's Information Resources Office, as the

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component principally charged with developing communitywide ADP policy, systems, etc. You are welcome to comment on SAFE or other aspects of of this issue if you wish. Should NFAC desire to provide input on any other portions of the Annual Report outline--e.g., I&W or evolution/ concerns of the PRC(I) under execution of the E.O. in Part I--such would be welcome.

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8.  is responsible for producing this year's DCI Annual Report. Please identify a principal NFAC point of contact for her to work with. We shall need all inputs by COB 1 November in order to accomplish integrated drafting in November; review in December, and DCI approval and production in January.

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Attachments:

1. Annual Report Outline
2. DCI letter to NFIB principals requesting help on Annual Report

cc: Comptroller w/atts

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6 October 1978

DCI REVISED OUTLINE - ANNUAL REPORT FOR 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Questions

1. evolution of the PRC(I); work on user priorities
2. resources: experience in use of DCI's budget authority
3. production
  - a. NFAC's first full year
  - b. DIA
  - c. INR
  - d. DCI substantive committees (EIC, JAEIC, STIC, WSSIC)
4. collection
  - a. status of NITC
  - b. 3 DCI collection committees
5. other management
  - a. DDCI
  - b. NFIB: shifting membership/concerns
6. I&W

B. New or Altered Emphases in Analysis

1. strategic balance: new developments & experience in communicating them
2. proliferating support for arms limitation talks
3. emergence of China as an active world player
4. world petroleum supply

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5. substantive support for crises--e.g., Ogaden, Shaba II  
(Afghanistan?)
- C. Intelligence and the Congress
  1. activities in support of both oversight committees
  2. activities in support of other committees
  3. charter legislation
- D. Legal and Propriety Issues (to include summary report on HPSCI task #5 of 15 September Boland letter)
- E. Security and Counterintelligence Issues
  1. Espionage
    - a. Kampiles.
    - b. "moles," etc.
    - c. counterintelligence initiatives
  2. Leaks
    - a. Authors
    - b. Others
    - c. Remedies?
  3. Other security - implementation of new industrial security measures
  4. New directions in foreign counterintelligence program
    1. role of new DCI CI coordinator
    2. PRC (CI)
- F. Covert Action - emphasis on mission and programs
- G. Intelligence and the public - new emphasis

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H. Major Accomplishments 1978

- a.
- b.
- c.
- d.

II. KEY ISSUES (lead into with NFIP graphics)

The early 1980s budget bow wave and trade-off issues on technical sensors

issues, outcome,

rationale;

COMINT/ELINT upgrade needs, appropriate packages

HF modernization

Quality of Analysis and Policy Support

including progress on improving interdisciplinary analysis

collection/production: an appropriate budget balance?

Community ADP

National/Tactical Interface Issues

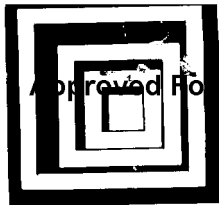


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exploitation  
group

9 November 1978

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At an NFAC meeting you asked for  
contributions. This may be of help to  
you.



C/IEG/NPIC

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8 November 1978

### Support For Senate Select Committee On Intelligence

Since January 1978, NPIC has provided a series of briefings and tutorial sessions on treaty-monitoring tasks assigned to NPIC, and the capabilities of the Center to fulfill those responsibilities.

In February, Mr. Theodore Ralston, a staff member of the Committee, spent about one and one-half weeks at the Center, receiving an indepth tutorial on the tasks assigned to imagery analysts, equipment used in imagery exploitation, and an opportunity to experience, first-hand, how imagery analysts accomplish their tasks. He has returned at intervals throughout the year researching substantive documents, talking to Center managers and analysts, and receiving briefings on SALT-related topics. The Center has provided documents, statistics, and briefing materials to Mr. Ralston, through the Office of Legislative Counsel.

In May, Mr. Ralston arranged for Senator Charles Mathias to visit the Center. Senator Mathias received briefings on the role of NPIC in monitoring treaties, including both the SAL and ABM agreements.

In October and November, Mr. Ralston arranged to have Mr. William Miller, Staff Director of the Committee Staff, and three other members of the staff receive a series of indepth briefings on the SALT-monitoring tasks assigned to NPIC. To date, they have received approximately eight hours of briefings on the details of SALT-monitoring from satellite photography and have indicated that they would like to return for more discussions on the same subject.

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